

# Enforcement

## Hearing or Other Action



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

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TO: Commissioners  
FROM: *Philip E. Stutzman*  
Philip E. Stutzman, Director of Compliance  
DATE: December 1, 2011  
SUBJECT: David Schmidt, PDC Case No. 11-018

The following documents are enclosed for your review for David Schmidt, Case No. 11-018:

- Notice of Administrative Charges
- Report of Investigation
- Exhibits to Report of Investigation

Staff is working with the Respondent on a Stipulation as to Facts. We hope to send that document to you before the hearing. At the hearing, staff and the Respondent will present argument concerning the alleged violations.



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BEFORE THE PUBLIC DISCLOSURE COMMISSION  
OF THE STATE OF WASHINGTON

In the Matter of Enforcement Action  
Against:

David Schmidt (Re: 2006 David  
Schmidt Campaign)

Respondent.

PDC Case No. 11-018

Notice of Administrative Charges

IT IS ALLEGED as follows:

**I. Jurisdiction**

1. The Public Disclosure Commission (PDC) has jurisdiction over this proceeding pursuant to Chapter 42.17 RCW, the Public Disclosure Act; Chapter 34.05 RCW, the Administrative Procedure Act; and Title 390 WAC. These charges incorporate the Report of Investigation and all related exhibits by reference.

**II. Allegations**

2. PDC staff alleges that David Schmidt violated RCW 42.17.125, in the total amount of \$41,518.35, by:
  - a. improperly reimbursing himself from campaign funds for wages he claims to have lost for the years 2003, 2004, 2005 and 2006 following his 2006 campaign for State Senate in the 44<sup>th</sup> Legislative District.
  - b. improperly using campaign funds for personal use, including:
    - 1) payments for airfare and registration fee to attend American Legislative Exchange Council (ALEC) conferences in 2005 and 2006, totaling \$663.90;

- 2) payments for airfare and registration fee to attend Council of State Governments (CSG) conferences in 2006, totaling \$1,152.79;
- 3) payment of condominium association fees in 2005 as payment for the 2006 campaign's use of Mr. Schmidt's in-home office during 2005, for eight monthly payments of \$180.00 each, totaling \$1,440;
- 4) payment of condominium association fees in 2006 as payment for the 2006 campaign's use of Mr. Schmidt's in-home office during 2006, for two duplicate monthly payments of \$180.00 each, totaling \$360;
- 5) payment of second-mortgage payments in 2006 as payment for the 2006 campaign's use of Mr. Schmidt's in-home office during 2006, for two duplicate monthly payments of \$351.30 each, totaling \$702.60;
- 6) payment of condominium association fees and second-mortgage payments in 2006 as payment for the 2006 campaign's use of Mr. Schmidt's in-home office during 2006, when nine monthly payments of \$531.30 each (\$180.00 for condominium association fees and \$351.30 for second-mortgage payments) exceeded the fair rental value of the in-home office of \$400 by \$131.30 for each of the nine months, totaling \$1,182;
- 7) payment for airfare for Mr. Schmidt and a campaign worker, Mary-Jim Montgomery, to travel to Arizona following the 2006 general election, totaling \$755.20; and
- 8) payment for a new computer on November 1, 2006, totaling \$1,363.88, and related office items, including a color printer, totaling \$1,589.00, which Mr. Schmidt converted to personal use following his defeat in the November 7, 2006 general election, but did not reimburse the campaign for the fair market value of the items.

3. PDC staff alleges that David Schmidt violated RCW 42.17. 080 and .090 by:
  - a. filing his 2006 post-general election C-4 report three years and seven months (1,320 days) late on July 23, 2010. The late-filed C-4 report included \$40,831 in expenditures not previously reported;
  - b. filing his December 2006 C-4 report three years and six months (1,289 days) late on July 23, 2010. The late-filed C-4 report included \$37,012.69 in previously unreported expenditures;
  - c. failing to list a complete and accurate description and purpose for expenditures to “Cole Properties” for eight payments made in 2005 and 12 payments made in 2006, totaling \$3,600;
  - d. failing to list a complete and accurate description of expenditures to “GMAC” for 11 payments made in 2006 totaling \$3,864.30;
  - e. failing to report an in-kind contribution of \$220 from himself for the amount by which the fair rental value of Mr. Schmidt’s in-home office during March 2006 (\$400) exceeded the campaign’s payment to Cole Properties (\$180.00) for Mr. Schmidt’s condominium association fees as payment for use of Mr. Schmidt’s in-home office during March 2006.

### **III. Background and Facts**

4. David Schmidt was elected to the Washington State Legislature, in the 44th Legislative District, in 1994. He served four, two-year terms as a State Representative followed by one, four-year term as a State Senator. Mr. Schmidt was defeated in the November 7, 2006 General election in his bid for re-election to the State Senate. On April 7, 2010, Mr. Schmidt filed a C-1 Candidate Registration stating that he was running for State Senate in the 44th Legislative District in 2010.

5. Mr. Schmidt raised \$193,999 during his 2006 campaign, and had a surplus of \$32,260.98 at the end of the campaign. On December 30, 2006, after losing the election, Mr. Schmidt reimbursed himself \$32,260.98 for wages he claims he lost in 2003, 2004, 2005 and 2006, reducing his campaign surplus to zero.
6. Shortly before the 2006 general election, Mr. Schmidt experienced a computer crash. He did not file his post-general election C-4 report (due December 10, 2006) or his December 2006 C-4 report (due January 10, 2007) which included identification of his reimbursements for lost earnings, until July 23, 2010, after he became a candidate for State Senate in the 2010 election.

**Alleged Improper Reimbursement of Lost Earnings (RCW 42.17.125)**

7. On July 23, 2010, Mr. Schmidt filed PDC form C-4 covering the period December 1, 2006 through December 31, 2006. He reported \$37,021.69 in previously unreported expenditures, including \$32,260.98 in reimbursements to himself on December 30, 2006 for claimed lost wages he identified as occurring during 2003, 2004, 2005 and 2006.
8. Mr. Schmidt acknowledged that after he was defeated in the 2006 general election, he faced unemployment and had no job prospects. As a result, he identified dates from 2003 through 2006, which he said were dates he could have trained with his National Guard unit, but did not. He identified those dates as employment opportunities he was unable to accept because of his legislative duties and 2006 re-election campaign activities. A total of \$12,159.41 were identified by Mr. Schmidt as lost earnings for dates preceding June 9, 2005, the date Mr. Schmidt identified himself as a candidate for re-election in 2006.
9. Mr. Schmidt served in the Washington Army National Guard (National Guard) as a non-commissioned officer (NCO) from 1982 through 2007. The National Guard required Mr. Schmidt to serve one weekend each month, normally with his assigned unit. This training is known as Inactive Duty Training (IDT). The National Guard also required Mr. Schmidt to

serve two weeks each year, normally with his assigned unit. This training is known as Annual Training (AT). The National Guard has other training opportunities for which individuals can apply. Those training opportunities are known as Active Duty Operational Support (ADOS) and have been known as Active Duty Special Work (ADSW).

10. PDC staff spoke to Lieutenant Colonel Andrew Leneweaver, assigned to Mobilization, Readiness and Force Management at the National Guard's Camp Murray, where Mr. Schmidt's unit is assigned. He stated that missed weekend drills (IDT) and missed annual training (AT) can be made up at an alternative time, if the absence is excused. He stated that Mr. Schmidt was an NCO with special skills, and that he could have made up missed weekend drills and missed annual training.

11. Mr. Schmidt claimed the following amounts for lost wages:

Year	Lost Wages
2003	\$2,798.02
2004	\$7,432.03
2005	\$9,394.20
2006	\$12,636.73
<b>TOTAL</b>	<b>\$32,260.98</b>

12. Mr. Schmidt accounted for the claimed reimbursed lost wages in the following manner:

<b><u>Lost Wages</u></b> <i>per Dec. 2006 C-4 Schedule A</i>	<b><u>Relevant Dates</u></b> <i>per David Schmidt</i>	<b><u>Purpose of duty</u></b> <i>unable to attend due to campaign &amp; legislative duties (per Mr. Schmidt)</i>
\$1,878.08	<b>2003</b> : Jan. 4-5, Feb. 1-2, Mar. 1-2, Apr. 5-6	Inactive duty training
\$919.94	<b>2003</b> : June (7 days)	Annual training
\$1,907.28	<b>2004</b> : Jan. 3-4, Feb. 7-8, Mar. 6-7, Sep. 4-5	Inactive duty training
\$667.10	<b>2004</b> : June (5 days)	Annual training
\$4,857.65	<b>2004</b> : Jul.-Aug. (35 days)	Special operations training mission to Phillipines

\$2,894.04	<u>2005</u> : Jan. 8-9, Feb. 5-6, Mar. 5-6, Apr. 2-3, Aug. 13-14, Sep. 10-11	Inactive duty training
\$947.94	<u>2005</u> : June (7 days)	Annual training
\$5,552.22	<u>2005</u> : Jul.-Aug. (41 days)	Special operations training mission to Phillipines
\$2,438.90	<u>2006</u> : Jan. 7-8, Feb. 4-5, Mar. 4-5, Oct. 7-8, Nov. 4-5	Inactive duty training
\$1,093.92	<u>2006</u> : June (8 days)	Annual training
\$7,110.48	<u>2006</u> : Apr.-Dec. (52 days)	WA Youth Challenge program – establishment & support
\$1,993.43	<u>2006</u> : 15 days-variable	Service support for emergency management training

13. Mr. Schmidt provided no evidence, in the form of a calendar or other records, to show that he lost earnings as a result of campaigning for re-election in 2006. Mr. Schmidt acknowledged that he could have worked alternative weekends to make up the monthly IDT training that he missed, totaling \$9,118.30 in lost wages.
14. Mr. Schmidt provided no explanation for why he missed his annual training (AT) requirements in 2003, 2004, 2005, or 2006, why he did not make up the missed training opportunities, or evidence of 2006 campaign activity on these AT dates that caused him to be unable to train, and lose \$3,628.90 in wages.
15. Mr. Schmidt reimbursed himself for wages he claims to have lost in July and August of 2004 totaling \$4,857.65 (\$138.79 per day) and in July and August 2005 totaling \$5,552.22 (\$135.42 per day) when he turned down opportunities to serve as an administrative NCO with a Special Forces Unit of the National Guard on training missions to the Philippines. He stated that he declined the opportunities to work because of his legislative duties and 2006 campaign activities. Mr. Schmidt provided no evidence of 2006 campaign activities that caused him to lose wages in July and August of 2004 and 2005.
16. The Washington Youth Academy is based in Bremerton, Washington, and is patterned after the National Guard's Youth Challenge program. As a legislator, Mr. Schmidt sponsored



legislation that created the Washington Youth Academy, and played a key role in initiating the program in Washington State. The National Guard supports the Washington Youth Academy, and in 2006, authorized Mr. Schmidt to work with the Washington Youth Academy, referring to this duty as Active Duty Special Work (ADSW).

17. Mr. Schmidt reimbursed himself \$7,110.48 for 52 days between April and December 2006 (\$136.74 per day) when he claims he lost earnings by not being able to work on behalf of the National Guard in establishing the Washington Youth Challenge Program because of his legislative duties and campaign activities. Mr. Schmidt provided no evidence of 2006 campaign activities that caused him to lose these earnings.

18. Mr. Schmidt reimbursed himself \$1,993.43 for 15 days during 2006 at \$136.74 per day when he states he lost earnings by not being able to provide service support for Emergency Management training throughout the state of Washington. Mr. Schmidt provided no actual dates for the lost wages, and provided no evidence of 2006 campaign activities that caused him to lose these earnings.

**Alleged Improper Payments for American Legislative Exchange Council Expenses (RCW 42.17.125)**

19. The 2006 Schmidt campaign reported making the following expenditures for Mr. Schmidt's attendance at American Legislative Exchange Council (ALEC) conferences in 2005 and 2006:

Date	Vendor	Purpose	Amount
11/28/05	Alaska Airlines	Airfare	\$295.00
11/1/06	Alaska Airlines	Airfare	\$268.90
11/1/06	ALEC	Conference fee	\$100.00
<b>Total</b>			<b>\$663.90</b>

The conferences are for state legislators, members of the private sector, the federal government, and general public to discuss legislative policies. The expenses were not directly related to Mr. Schmidt's campaign, and were a personal use of campaign funds.

**Alleged Improper Payments for Council of State Governments Expenses (RCW 42.17.125)**

20. The 2006 Schmidt campaign reported making the following expenditures for Mr. Schmidt's attendance at the Council of State Governments (CSG) conferences in 2006:

Date	Vendor	Purpose	Amount
6/7/06	Delta Airlines	Airfare	\$463.19
11/10/06	Alaska Airlines	Airfare	\$339.60
11/1/06	CSG	Conference fee	\$350.00
<b>Total</b>			<b>\$1,152.79</b>

21. The CSG conferences are forums that foster the exchange of insights and ideas to help state officials shape public policy. The expenses were not directly related to Mr. Schmidt's campaign, and were a personal use of campaign funds.

**Alleged Improper Payments for Condominium Fees and Second Mortgage Fees (RCW 42.17.125)**

22. During 2005 and 2006, Mr. Schmidt lived in a condominium that he was purchasing. He had turned a bedroom (an area equal to approximately 25 percent of the total square footage of the unit) into a home office. He stated that he used his in-home office as his 2006 campaign office from May 2005 through December 2006, except for January and February 2006. Mr. Schmidt stated that the fair rental value of his home was \$1,600 per month. The fair rental value of the in-home office space can therefore reasonably be presumed to be approximately \$400 per month.

23. The 2006 Schmidt campaign reported making 20 monthly payments to Cole Properties at the rate of \$180.00 per payment, for a total of \$3,600 for condominium association fees. The payments were in exchange for the campaign's use of Mr. Schmidt's home office from May through December 2005, and were, along with a second-mortgage payment of \$351.50, discussed later, in exchange for the campaign's use of Mr. Schmidt's home office from April through December 2006. During 2005, the campaign made eight payments totaling \$1,440. No campaign workers used Mr. Schmidt's home office during 2005. The campaign's activities during 2005 do not justify paying any of Mr. Schmidt's condominium fees during 2005.
24. During 2006, the 2006 Schmidt campaign reported making two duplicate monthly payments of \$180.00 each, for condominium association fees, totaling \$360. The duplicate payments were reported as having been made September 12, 2006 (following a September 5, 2006 payment) and November 1, 2006 (two entries were dated November 1, 2006).
25. During 2006, the 2006 Schmidt campaign reported making 11 monthly payments to GMAC at the rate of \$351.30 for each payment, for a total of \$3,864.30, for Mr. Schmidt's second-mortgage on his condominium purchase. The campaign designated these payments were made, along with the monthly \$180 condominium association fees noted above, in exchange for the campaign's use of Mr. Schmidt's home office from April through December 2006.
26. During 2006, the 2006 Schmidt campaign reported two duplicate monthly payments of \$351.30 each, totaling \$702.60 for Mr. Schmidt's second-mortgage on his condominium purchase. The duplicate payments were reported as reported as having been made September 26, 2006 and November 15, 2006.
27. During 2006, not counting the two duplicate monthly payments of \$180.00 each for condominium association fees or the \$180.00 payment made on March 10, 2006 for condominium association fees, the campaign made nine monthly payments of condominium

association fees (\$180.00 each) and nine monthly second-mortgage payments (\$351.30 each) for a total of nine payments of \$531.30 from April 2006 through December 2006. The fair rental value of the in-home office is presumed to be approximately \$400 for each month. Therefore, the payments made by the campaign of Mr. Schmidt's expenses, as payment for the campaign's use of Mr. Schmidt's home office for the nine months of April 2006 through December 2006, exceeded the fair rental value of the office by \$131.30 for each of the nine months, for a total of \$1,182.

**Alleged Improper Payments for Airfare to Arizona After 2006 General Election (RCW 42.17.125)**

28. The 2006 Schmidt campaign reported two expenses for travel to Arizona that took place following the 2006 general election, as listed below:

Date	Vendor	Purpose	Amount
12/30/06	Alaska Airlines	Travel to Arizona after election	\$377.60
12/30/06	Alaska Airlines	Travel to Arizona after election	\$377.60
<b>Total</b>			<b>\$755.20</b>

29. Mr. Schmidt purchased the two airline tickets between the primary and general elections, and took the trip two weeks after the general election. The stated purpose of the trip was for Mr. Schmidt and a campaign worker, Mary-Jim Montgomery, to travel to Arizona following the 2006 general election to ask Mr. Schmidt's brother and his family for campaign contributions. The purpose of the trip was personal and was an improper use of campaign funds.

**Alleged Failure to Reimburse Campaign for Computer and Related Items Following the 2006 Election (RCW 42.17.125)**

30. Mr. Schmidt stated that his computer crashed approximately two weeks before the 2006 general election. On November 1, 2006, Mr. Schmidt purchased a new computer, color printer and related items using campaign funds. The purchases are listed below:

Date	Vendor	Purpose	Amount
11/1/06	Costco	Computer	\$1,363.88
11/1/06	Costco	Color printer & related items	\$1,589.00
<b>Total</b>			<b>\$2,952.88</b>

31. Following the 2006 general election, Mr. Schmidt converted the computer, color printer, and related items to his personal use, but did not reimburse the campaign for the fair market value of the items.

**Alleged Failure to Timely Report Contributions and Expenditures (RCW 42.17.080 and .090)**

32. On July 23, 2010, Mr. Schmidt filed PDC form C-4 covering the period October 31, 2006 through November 30, 2006 related to his 2006 campaign. The C-4 was required to be filed by December 11, 2006 and was filed three years and seven months (1,320 days) late. The late-filed C-4 report included \$40,830.59 in previously unreported expenditures.

33. On July 23, 2010, Mr. Schmidt filed PDC form C-4 covering the period December 1, 2006 through December 31, 2006 related to his 2006 campaign. The C-4 report was required to be filed by January 10, 2007 and was filed three years and six months (1,289 days) late. The late-filed C-4 report included \$37,012.69 in previously unreported expenditures.

34. On October 8, 2007, PDC staff contacted Mr. Schmidt to inquire about the status of his 2006 post-general election C-4 report which had not yet been electronically filed. Mr. Schmidt

informed PDC staff that his computer had crashed a few days before the election, and asked if he could file his reports on paper rather than electronically. PDC staff informed Mr. Schmidt that he should file his reports on paper, but because he was required to file his reports electronically, he should include an explanation and request a waiver from filing electronically. In July 2010, after an inquiry from the Everett Herald about Mr. Schmidt's missing 2006 post-election C-4 reports, PDC staff contacted Mr. Schmidt and assisted him in filing his missing reports.

**Alleged Failure to Provide Complete and Accurate Purpose and Description of Expenditures (RCW 42.17.080 and .090)**

35. The 2006 Schmidt campaign reported 20 payments of \$180.00 each to "Cole Properties" listing "Rent" as the purpose and description. The actual purpose was to pay Mr. Schmidt's monthly "condominium association fees" and a complete description was "for partial payment of use of Mr. Schmidt's home office."
36. The 2006 Schmidt campaign reported 11 payments of \$351.30 each to "GMAC" listing "Rent" as the purpose and description. The actual purpose of the payment was to pay Mr. Schmidt's monthly "second mortgage payment" and a complete description was "for partial payment of use of Mr. Schmidt's home office."

**Alleged Failure to Report In-Kind Contribution for Campaign's March 2006 Use of In-Home Office (RCW 42.17.080 and .090)**

37. During March 2006, the 2006 Schmidt campaign used Mr. Schmidt's home office, with a fair rental value of \$400. The campaign paid for Mr. Schmidt's March 2006 condominium association fees, totaling \$180. Therefore, Mr. Schmidt failed to report an in-kind contribution from himself for the amount by which the value of his home office space exceeded the payment made on behalf of Mr. Schmidt. The unreported in-kind contribution totaled \$220.

## **V. LAW**

- 5.1 **RCW 42.17.125** states: Contributions received and reported in accordance with RCW 42.17.060 through 42.17.090 may only be transferred to the personal account of a candidate, or of a treasurer or other individual or expended for such individual's personal use under the following circumstances:
- (1) Reimbursement for or loans to cover lost earnings incurred as a result of campaigning or services performed for the political committee. Such lost earnings shall be verifiable as unpaid salary, or when the individual is not salaried, as an amount not to exceed income received by the individual for services rendered during an appropriate, corresponding time period. All lost earnings incurred shall be documented and a record thereof shall be maintained by the individual or the individual's political committee. The political committee shall include a copy of such record when its expenditure for such reimbursement is reported pursuant to RCW 42.17.090.
  - (2) Reimbursement for direct out-of-pocket election campaign and postelection campaign related expenses made by the individual. To receive reimbursement from the political committee, the individual shall provide the political committee with written documentation as to the amount, date, and description of each expense, and the political committee shall include a copy of such information when its expenditure for such reimbursement is reported pursuant to RCW 42.17.090.
  - (3) Repayment of loans made by the individual to political committees, which repayment shall be reported pursuant to RCW 42.17.090. However, contributions may not be used to reimburse a candidate for loans totaling more than \*three thousand dollars made by the candidate to the candidate's own political committee or campaign.

**WAC 390-16-238 states:**

- (1) Except as specifically allowed by chapter 42.17 RCW, any expenditure of a candidate's campaign funds that is not directly related to the candidate's election campaign is a personal use of campaign funds prohibited under RCW 42.17.125.
- (2) An expenditure of a candidate's campaign funds shall be considered personal use if it fulfills or pays for any commitment, obligation or expense that would exist irrespective of the candidate's election campaign.
- (3) If an activity or expenditure is both personal and campaign related, the campaign may pay no more than the fair market value of its share of the activity or expenditure. For example, if a candidate uses a personal vehicle for campaign purposes, the campaign may reimburse the candidate for:

- (a) The prorated share of documented gasoline, maintenance and insurance costs directly related to the campaign's usage of the vehicle; or
- (b) The standard mileage rate established by the Internal Revenue Service for those documented miles directly related to the campaign's usage.
- (4) Examples of expenditures presumed to be for personal use include, but are not limited to:
  - (a) Mortgage, rent, utility or maintenance expenses for personal living accommodations;
  - (b) Clothing purchases and maintenance expenses not related to the campaign;
  - (c) Automobile expenses not related to the campaign;
  - (d) Travel expenses not related to the campaign;
  - (e) Household food items;
  - (f) Restaurant expenses except for in-person fund-raising or campaign organizational activities;
  - (g) Tuition payments not related to the campaign;
  - (h) Admission to sporting events, concerts, theaters, or other forms of entertainment unless the event is primarily related to the candidate's campaign;
  - (i) Country club membership fees, dues and payments;
  - (j) Health club or recreational facility membership fees, dues and payments;
  - (k) Social, civic, fraternal, or professional membership dues, fees and payments unless the expenditure occurs during an election year and membership is required to gain access to the organization's mailing list for campaign purposes or other facilities for the candidate's campaign;
  - (l) Home or business internet service provider costs;
  - (m) Home or business newspaper and periodical subscriptions;
  - (n) Greeting cards to persons who would customarily receive such cards (e.g., family, friends and business associates).



David Schmidt (Re: 2006 David Schmidt Campaign)  
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**RCW 42.17.080 and 090** require candidates to file timely, accurate reports of contributions and expenditures, including in-kind contributions. Under the full reporting option, until five months before the general election, C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report. C-4 reports are also required 21 and 7 days before each election, and in the month following the election, regardless of the level of activity. Contribution deposits made during this same time period must be disclosed on the Monday following the date of deposit.

RESPECTFULLY SUBMITTED this 28<sup>th</sup> day of November 2011.

  
Philip E. Stutzman, Director of Compliance



STATE OF WASHINGTON  
PUBLIC DISCLOSURE COMMISSION

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BEFORE THE PUBLIC DISCLOSURE COMMISSION  
OF THE STATE OF WASHINGTON

IN RE COMPLIANCE	)	PDC CASE NO: 11-018
WITH RCW 42.17	)	
	)	
David Schmidt	)	Report of Investigation
	)	
Respondent.	)	
_____	)	

**I. Background**

- 1.1 David Schmidt was elected to the Washington State Legislature, in the 44<sup>th</sup> Legislative District, in 1994.
- 1.2 He served four, two-year terms as a State Representative followed by one, four-year term as a State Senator.
- 1.3 Mr. Schmidt was defeated in the November 7, 2006 General election by Steve Hobbs in Mr. Schmidt's bid for re-election to the State Senate. On April 7, 2010, Mr. Schmidt filed a C-1 Candidate Registration stating that he was running for State Senate in the 44<sup>th</sup> Legislative District.
- 1.4 Throughout his campaigns, Mr. Schmidt has served as his own campaign treasurer.

**II. Allegations**

- 2.1 On October 4, 2010, a complaint was received from Richard Hegdahl alleging that David Schmidt has violated RCW 42.17.080 and .090 by failing to timely file Cash Receipts Monetary Contributions reports (PDC Form C-3) and Campaign Summary Receipts and Expenditures reports (PDC Form C-4) for his 2006 campaign for State Senate. **EXHIBIT 1**
- 2.2 Mr. Hegdahl also alleged Mr. Schmidt was reimbursed for lost wages by his campaign in the amount of \$32,260.98 with no explanation or documentation.

### III. Findings

- 3.1 In 2006, David Schmidt sought re-election to the State Senate in the 44<sup>th</sup> Legislative District, a seat he was elected to in 2002. Mr. Schmidt was defeated in the 2006 General election by Steve Hobbs. **EXHIBIT 2**
- 3.2 In 2010, Mr. Schmidt ran for the same State Senate seat (44<sup>th</sup> Legislative District). He was defeated by the incumbent, Steve Hobbs.

#### 2006 Campaign C-4 Reports

- 3.3 For his 2006 campaign, Mr. Schmidt served as his own treasurer. His campaign was required to file electronically because he planned to raise or spend more than \$10,000. Mr. Schmidt's 2006 campaign raised a total of \$193,999 and spent a total of \$193,999.
- 3.4 The Schmidt campaign timely filed the 7-day pre-general C-4 report (covering the period of October 11 – October 30, 2006) on October 31, 2006. The report was electronically filed.
- 3.5 The post-general election C-4 report, covering the period of October 31 – November 30, 2006 was due on December 11, 2006. The post-general C-4 report is required of all campaigns participating in the election year.
- 3.6 A December 2006 C-4 report was due on January 10, 2007. The December C-4 report was required because the campaign had activity over \$200 during the period and had not filed a final campaign report for the election cycle.
- 3.7 On October 8, 2007, PDC staff contacted Mr. Schmidt to inquire about that status of his 2006 post-general election C-4 report which had not yet been filed. Mr. Schmidt informed PDC staff that his computer had crashed a few days before the election. He asked if he could paper-file his reports. PDC staff informed Mr. Schmidt that since he was required to electronically-file, he would need to obtain permission from the Commission in order to file on paper. PDC staff told Mr. Schmidt to file the final reports on paper with a request to file on paper, and staff would take his request to the commission to be granted an exception to the e-filing requirements. **EXHIBIT 3**. He stated, "I never heard back from her even though I had made copies of the final report by hand." **EXHIBIT 4**
- 3.8 Mr. Schmidt did not seek further permission from the Commission to file his final reports on paper, nor did he file the final reports on paper.
- 3.9 PDC staff regularly provides assistance to campaigns in filing reports electronically after a technical failure, such as a computer crash.
- 3.10 In July 2010, after an inquiry from the Everett Herald, PDC staff contacted Mr. Schmidt to assist him in filing his remaining 2006 campaign reports. PDC staff instructed Mr. Schmidt in entering and filing his remaining 2006 campaign finance data into the current electronic filing system.

- 3.11 On July 23, 2010, Mr. Schmidt electronically filed the remaining campaign finance reports from his 2006 campaign. The following chart summarizes Mr. Schmidt's 2006 C-4 reports filed on July 23, 2010. **EXHIBIT 5 & 6**

2006 C-4 Reports	Date Due	Date Filed	Days Late	Contributions for Period	Expenditures for Period
Post-General (10/31 – 11/30)	12-11-06	7-23-10	1,320	\$10,225.00	\$40,830.59
December, 2006	1-10-07	7-23-10	1,289	\$0	\$37,012.69

- 3.12 The post-general Schedule "A" reports show that the Schmidt campaign purchased a computer on November 1, 2006. **EXHIBIT 7**

**Lost Wages – 2003-2006**

- 3.13 On his December 2006 C-4 report, Mr. Schmidt reported several expenditures paid to him for "lost wages." On his Schedule "A," he reported a total of \$32,260.98 in payments to himself for lost wages. All of the expenditures for lost wages were reported as being paid on December 30, 2006. **EXHIBIT 8**
- 3.14 Mr. Schmidt was employed by the Washington National Guard as a Non-Commissioned Officer (NCO) from 1982 to 2007.
- 3.15 To count the year towards a retirement, members of the Washington National Guard are required to attend a variety of trainings and drills throughout each year for which they receive assignment pay. Attendance orders (assignments) for annual and weekend trainings are posted annually. In addition, members can be given special assignments.
- 3.16 PDC staff spoke to Lieutenant Colonel Andrew Leneweaver, assigned to Mobilization, Readiness and Force Management at Camp Murray. He stated that weekend drills and annual training dates can be made up, especially for an NCO with Mr. Schmidt's special skills. He stated that Joint Force Headquarters drills take place during the first weekend of the month, however, due to logistics, other units drill on different weekends. Therefore, as a ranking NCO, Mr. Schmidt could have trained at alternative times.
- 3.17 On his December, 2006 Schedule "A," Mr. Schmidt provided specific codes in his explanation for lost wages. He used the following codes to indicate the type of duty for which he received lost wage reimbursements from his campaign:
- AT: Annual Training – two weeks per year with assigned unit
  - IDT: Inactive Duty Training – one weekend per month with assigned unit
  - ADOS: Active Duty Operational Support – special assignments
  - ADSW: Active Duty Special Work

3.18 On April 28, 2011, Mr. Schmidt provided additional details concerning specific dates for which he says he was entitled to lost wage reimbursement from his campaign. **EXHIBIT 9**

3.19 The following table summarizes the total lost wages, per year, Mr. Schmidt was reimbursed for by his campaign:

Year	Lost Wages
2003	\$2,798.02
2004	\$7,432.03
2005	\$9,394.20
2006	\$12,636.73
<b>TOTAL</b>	<b>\$32,260.98</b>

3.20 The following chart summarizes Mr. Schmidt's accounting of his time for which he was reimbursed by his campaign:

<u>Lost Wages</u> <i>per Dec. 2006 C-4 Schedule A</i>	<u>Relevant Dates</u> <i>per David Schmidt</i>	<u>Purpose of duty</u> <i>unable to attend due to campaign &amp; legislative duties (per Mr. Schmidt)</i>
\$1,878.08	<u>2003</u> : Jan. 4-5, Feb. 1-2, Mar. 1-2, Apr. 5-6	Inactive duty training
\$919.94	<u>2003</u> : June (7 days)	Annual training
\$1,907.28	<u>2004</u> : Jan. 3-4, Feb. 7-8, Mar. 6-7, Sep. 4-5	Inactive duty training
\$667.10	<u>2004</u> : June (5 days)	Annual training
\$4,857.65	<u>2004</u> : Jul.-Aug. (35 days)	Special operations training mission to Phillipines
\$2,894.04	<u>2005</u> : Jan. 8-9, Feb. 5-6, Mar. 5-6, Apr. 2-3, Aug. 13-14, Sep. 10-11	Inactive duty training
\$947.94	<u>2005</u> : June (7 days)	Annual training
\$5,552.22	<u>2005</u> : Jul.-Aug. (41 days)	Special operations training mission to Phillipines
\$2,438.90	<u>2006</u> : Jan. 7-8, Feb. 4-5, Mar. 4-5, Oct. 7-8, Nov. 4-5	Inactive duty training
\$1,093.92	<u>2006</u> : June (8 days)	Annual training
\$7,110.48	<u>2006</u> : Apr.-Dec. (52 days)	WA Youth Challenge program – establishment & support
\$1,993.43	<u>2006</u> : 15 days-variable	Service support for emergency management training

3.21 Mr. Schmidt could not specifically recall why he missed weekend trainings (inactive duty training). Several of the missed training dates occurred during Legislative sessions.

- 3.22 Mr. Schmidt acknowledged that he could have worked alternate weekends, but he said he would have been alone with little to do. He said that he did not think that would be fair to the National Guard. Mr. Schmidt's absences were recorded by the unit as excused.
- 3.23 Mr. Schmidt could not specifically recall why he missed the annual training drills in June of 2003, 2004, 2005, and 2006.
- 3.24 In 2004 and 2005, Mr. Schmidt stated that he was invited to assist a Special Forces Unit of the Washington Army National Guard on their training missions to the Philippines as their administrative non-commissioned officer. The training missions took place in July and August of 2004 and 2005. He stated that he declined the offer because he was unable to attend these training missions due to his legislative and campaign duties. Mr. Schmidt could not recall the specific legislative and/or campaign duties that occurred during July and August of 2004 and 2005 which prevented him from accepting this duty assignment.
- 3.25 In 2006, Mr. Schmidt stated that he lost wages by not being able to work with the Washington Youth Academy. The Washington Youth Academy is based in Bremerton, Washington, and is patterned after the National Guard's Youth Challenge program. Mr. Schmidt stated that as a legislator, he sponsored the legislation that created the Washington Youth Academy, and said he played a key role in initiating the program in Washington State. The National Guard supports the Washington Youth Academy, and in 2006, authorized Mr. Schmidt to work with the Washington Youth Academy, referring to this duty as Active Duty Special Work (ADSW). Mr. Schmidt claimed lost wages totaling \$7,110.48 for 52 days when he was authorized to work with the Washington Youth Academy, but did not work, between April and December 2006. Mr. Schmidt provided no evidence to show that he lost these earnings as a result of campaigning for re-election between April and December 2006.

#### **Lost Wage Reimbursements – 2006 Campaign Funds**

- 3.26 In his December 15, 2010 written response, Mr. Schmidt stated that he received approximately \$26,000 in campaign contributions in the days leading up to the General election. He stated that based on his campaign budget plan, these funds remained unused as of election day (2006).
- 3.27 He stated that because he was defeated in the 2006 General election he was facing unemployment in two months and had no job prospects at the time. He said he decided to use the funds for lost wages. He further stated, "My actual work time lost was more, and I could have used more of the campaign funds, but used the funds on the campaign instead."

#### **EXHIBIT 4**

- 3.28 During an interview on April 28, 2011, Mr. Schmidt contended that the law does not specifically state that lost wages must occur during the campaign period and he believes that legislative duties are included. Mr. Schmidt asserts that because the 44<sup>th</sup> Legislative District is a swing district it was necessary for him to continuously campaign throughout the entire election cycle.

- 3.29 In his December 15, 2010, response letter Mr. Schmidt stated, "The amounts reported reflect the time lost or work days lost due to my being a legislator and campaigning. The amounts reflect periods during the four years of the campaign."

#### **Late Filed C-1**

- 3.30 For his 2006 campaign, Mr. Schmidt filed a Candidate Registration (PDC Form C-1) on June 9, 2005. **SEE EXHIBIT 1**
- 3.31 Based on Mr. Schmidt's explanation, some of the occasions for which he received lost wage reimbursements occurred prior to when he filed his 2006 campaign C-1.
- Prior to filing his 2006 C-1, the occurrences for which Mr. Schmidt was reimbursed for lost wages totaled \$12,159.41.
  - After he filed his 2006 campaign C-1, the occurrences for which Mr. Schmidt was reimbursed for lost wages totaled \$20,101.57.
- 3.32 Mr. Schmidt's 2006 campaign reported funds raised in 2003 and 2004, however he did not file any reports until June 2005.
- In 2003, Mr. Schmidt loaned his campaign \$4,000. He also received contributions in the amount of \$1,975. These contributions were received in December 2003, prior to the session freeze period.
  - In 2004, Mr. Schmidt received total contributions in the amount of \$3,500. The contributions were received between August and December 2004.
- 3.33 During his interview, Mr. Schmidt acknowledged that he should have filed his 2006 C-1 earlier.

#### **Review of Additional Campaign Expenditures**

- 3.34 **American Legislative Exchange Council Conferences** - The mission statement of the American Legislative Exchange Council (ALEC) states in part, "The mission of the American Legislative Exchange Council is to advance the Jeffersonian principles of free markets, limited government, federalism, and individual liberty, through a nonpartisan public-private partnership of America's state legislators, members of the private sector, the federal government, and general public." ALEC holds a Spring Task Force Summit, a Summer Annual Meeting, and a late Fall States and Nation Policy Summit.
- 3.35 The 2006 Schmidt campaign reported making the following expenditures for Mr. Schmidt's attendance at ALEC conferences in 2005 and 2006:

Date	Vendor	Purpose	Amount
11/28/05	Alaska Airlines	Airfare	\$295.00
11/1/06	Alaska Airlines	Airfare	\$268.90
11/1/06	ALEC	Conference fee	\$100.00
<b>Total</b>			<b>\$663.90</b>

3.36 **Council of State Governments Conferences** - The Council of State Governments (CSG) is a national organization that serves all three branches of state government. CSG is a region-based forum that fosters the exchange of insights and ideas to help state officials shape public policy. CSG is headquartered in Lexington, Kentucky.

3.37 The 2006 Schmidt campaign reported making the following expenditures for Mr. Schmidt's attendance at CSG conferences in 2006:

Date	Vendor	Purpose	Amount
6/7/06	Delta Airlines	Airfare	\$463.19
11/10/06	Alaska Airlines	Airfare	\$339.60
11/1/06	CSG	Conference fee	\$350.00
<b>Total</b>			<b>\$1,152.79</b>

3.38 **Condominium Association Fees and Mortgage Payment Paid in Lieu of Rent for Campaign Office** - During 2005 and 2006, Mr. Schmidt lived in a condominium that he was purchasing. He had turned a bedroom (an area equal to approximately 25 percent of the total square footage of the unit) into an office. He stated that he used his in-home office as his 2006 campaign office from May 2005 through December 2006, except for January and February 2006. Mr. Schmidt stated that for eight months in 2007 he rented his home to a renter for \$1,600 per month. The fair rental value of his in-home office space can therefore reasonably be presumed to be approximately \$400 per month.

3.39 The 2006 Schmidt campaign reported making the following expenditures for Mr. Schmidt's condominium association fees of \$180.00 per month as partial payment for the campaign's use of Mr. Schmidt's in-home office during 2005 and 2006:

Date	Vendor	Purpose	Amount
5/10/05	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
6/10/05	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
7/10/05	Cole Properties	Paid condo fees in lieu of rent for	\$180.00



		campaign office	
8/10/05	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
9/10/05	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
10/10/05	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
11/10/05	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
12/10/05	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
3/10/06	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
4/15/06	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
5/2/06	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
6/1/06	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
7/3/06	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
8/8/06	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
9/5/06	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
9/12/06	Cole Properties	Paid condo fees in lieu of rent for campaign office <b>(Dup. Payment)</b>	\$180.00
10/11/06	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
11/1/06	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
11/1/06	Cole Properties	Paid condo fees in lieu of rent for campaign office <b>(Dup. Payment)</b>	\$180.00
11/15/06	Cole Properties	Paid condo fees in lieu of rent for campaign office	\$180.00
<b>Total</b>			<b>\$3,600.00</b>

- 3.40 The 2006 Schmidt campaign reported making the following expenditures for Mr. Schmidt's second mortgage payment on his condominium of \$351.30 per month as partial payment for the campaign's use of Mr. Schmidt's in-home office during 2005 and 2006:

Date	Vendor	Purpose	Amount
4/1/06	GMAC	Paid 2 <sup>nd</sup> Mortgage in lieu of rent for campaign office	\$351.30
5/12/06	GMAC	Paid 2 <sup>nd</sup> Mortgage in lieu of rent for campaign office	\$351.30
6/12/06	GMAC	Paid 2 <sup>nd</sup> Mortgage in lieu of rent for campaign office	\$351.30

7/27/06	GMAC	Paid 2 <sup>nd</sup> Mortgage in lieu of rent for campaign office	\$351.30
8/18/06	GMAC	Paid 2 <sup>nd</sup> Mortgage in lieu of rent for campaign office	\$351.30
9/11/06	GMAC	Paid 2 <sup>nd</sup> Mortgage in lieu of rent for campaign office	\$351.30
9/26/06	GMAC	Paid 2 <sup>nd</sup> Mortgage in lieu of rent for campaign office (Dup. payment)	\$351.30
10/26/06	GMAC	Paid 2 <sup>nd</sup> Mortgage in lieu of rent for campaign office	\$351.30
11/1/06	GMAC	Paid 2 <sup>nd</sup> Mortgage in lieu of rent for campaign office	\$351.30
11/15/06	GMAC	Paid 2 <sup>nd</sup> Mortgage in lieu of rent for campaign office (Dup. payment)	\$351.30
12/1/06	GMAC	Paid 2 <sup>nd</sup> Mortgage in lieu of rent for campaign office	\$351.30
<b>Total</b>			<b>\$3,864.30</b>

3.41 From May 2005 through December 2005, Mr. Schmidt was the only person using his in-home office for running the 2006 Schmidt campaign. From March 2006 through November 2006, Mr. Schmidt and two other individuals used Mr. Schmidt's in-home office for running the 2006 campaign.

3.42 **Purchase of New Computer and Printer** – Mr. Schmidt stated that his computer crashed approximately two weeks before the November 8, 2006 general election. On November 1, 2006, Mr. Schmidt purchased a new computer, color printer and related items using campaign funds. The purchases are listed below:

Date	Vendor	Purpose	Amount
11/1/06	Costco	Computer	\$1,363.88
11/1/06	Costco	Color printer & related items	\$1,589.00
<b>Total</b>			<b>\$2,952.88</b>

Following the 2006 General election, Mr. Schmidt converted the computer, color printer, and related items to personal use, but did not reimburse the campaign for the fair market value of the items.

3.43 **Travel After 2006 Election** - The Schmidt campaign reported two expenses for travel to Arizona that took place after the 2006 election, as listed below:

Date	Vendor	Purpose	Amount
12/30/06	Alaska Airlines	Travel to Arizona after election	\$377.60
12/30/06	Alaska Airlines	Travel to Arizona after election	\$377.60
Total			\$755.20

Mr. Schmidt purchased the tickets between the Primary and General elections, and took the trip two weeks after the General election. He said the purpose of the trip was to meet with his brother and seek contributions from his brother, his brother's wife, his brother's daughter, and his brother's business. Mr. Schmidt said he took a campaign fundraiser, Mary-Jim Montgomery, on the trip to make an in-person request for campaign contributions because he hoped his brother would become a source for contributions in future elections.

- 3.44 Mr. Schmidt said his brother would not contribute to his campaign because he had lost the election. Mr. Schmidt stated that his trip to Arizona was made before his decision to take payment for lost wages.
- 3.45 In 2006, candidates were allowed to solicit and accept contributions through the election cycle, which was November 30<sup>th</sup> in 2006.
- 3.46 In 2006, the contribution limit from individuals and businesses to legislative candidates was \$700 per election.

#### IV. Scope

- 4.1 Staff reviewed the complaint filed by Richard Hegdahl received on October 4, 2010.
- 4.2 Staff reviewed C-3 and C-4 reports filed by the 2006 David Schmidt Campaign.
- 4.3 Staff spoke with and interviewed David Schmidt.
- 4.4 Staff spoke with Lieutenant Colonel Andrew Leneweaver from the Washington Army National Guard.
- 4.5 Staff spoke with Major Matt Cooper from the Washington Army National Guard. No significant information was learned.
- 4.6 Staff reviewed the December 15, 2010 response from David Schmidt.

#### V. Law

- 5.1 **RCW 42.17.125** states: Contributions received and reported in accordance with RCW 42.17.060 through 42.17.090 may only be transferred to the personal account of a candidate, or of a treasurer or other individual or expended for such individual's personal use under the following circumstances:

(1) Reimbursement for or loans to cover lost earnings incurred as a result of campaigning or services performed for the political committee. Such lost earnings shall be verifiable as unpaid salary, or when the individual is not salaried, as an amount not to exceed income received by the individual for services rendered during an appropriate, corresponding time period. All lost earnings incurred shall be documented and a record thereof shall be maintained by the individual or the individual's political committee. The political committee shall include a copy of such record when its expenditure for such reimbursement is reported pursuant to RCW 42.17.090.

(2) Reimbursement for direct out-of-pocket election campaign and postelection campaign related expenses made by the individual. To receive reimbursement from the political committee, the individual shall provide the political committee with written documentation as to the amount, date, and description of each expense, and the political committee shall include a copy of such information when its expenditure for such reimbursement is reported pursuant to RCW 42.17.090.

(3) Repayment of loans made by the individual to political committees, which repayment shall be reported pursuant to RCW 42.17.090. However, contributions may not be used to reimburse a candidate for loans totaling more than \*three thousand dollars made by the candidate to the candidate's own political committee or campaign.

**WAC 390-16-238 states:**

(1) Except as specifically allowed by chapter 42.17 RCW, any expenditure of a candidate's campaign funds that is not directly related to the candidate's election campaign is a personal use of campaign funds prohibited under RCW 42.17.125.

(2) An expenditure of a candidate's campaign funds shall be considered personal use if it fulfills or pays for any commitment, obligation or expense that would exist irrespective of the candidate's election campaign.

(3) If an activity or expenditure is both personal and campaign related, the campaign may pay no more than the fair market value of its share of the activity or expenditure. For example, if a candidate uses a personal vehicle for campaign purposes, the campaign may reimburse the candidate for:

(a) The prorated share of documented gasoline, maintenance and insurance costs directly related to the campaign's usage of the vehicle; or

(b) The standard mileage rate established by the Internal Revenue Service for those documented miles directly related to the campaign's usage.

(4) Examples of expenditures presumed to be for personal use include, but are not limited to:

(a) Mortgage, rent, utility or maintenance expenses for personal living accommodations;

(b) Clothing purchases and maintenance expenses not related to the campaign;

- (c) Automobile expenses not related to the campaign;
- (d) Travel expenses not related to the campaign;
- (e) Household food items;
- (f) Restaurant expenses except for in-person fund-raising or campaign organizational activities;
- (g) Tuition payments not related to the campaign;
- (h) Admission to sporting events, concerts, theaters, or other forms of entertainment unless the event is primarily related to the candidate's campaign;
- (i) Country club membership fees, dues and payments;
- (j) Health club or recreational facility membership fees, dues and payments;
- (k) Social, civic, fraternal, or professional membership dues, fees and payments unless the expenditure occurs during an election year and membership is required to gain access to the organization's mailing list for campaign purposes or other facilities for the candidate's campaign;
- (l) Home or business internet service provider costs;
- (m) Home or business newspaper and periodical subscriptions;
- (n) Greeting cards to persons who would customarily receive such cards (e.g., family, friends and business associates).

**RCW 42.17.080 and 090** require candidates to file timely, accurate reports of contributions and expenditures, including in-kind contributions. Under the full reporting option, until five months before the general election, C-4 reports are required monthly when contributions or expenditures exceed \$200 since the last report. C-4 reports are also required 21 and 7 days before each election, and in the month following the election, regardless of the level of activity. Contribution deposits made during this same time period must be disclosed on the Monday following the date of deposit.

Respectfully submitted this 28<sup>th</sup> day of November 2011.



Randall R. Unruh  
Senior Political Finance Specialist

**List of Exhibits**

- Exhibit 1**      Complaint filed by Richard Hegdahl on October 4, 2010
- Exhibit 2**      Candidate Registration for the 2006 David Schmidt Campaign
- Exhibit 3**      E-mail from Lori Anderson to David Schmidt on October 8, 2007
- Exhibit 4**      David Schmidt response letter received on December 15, 2010
- Exhibit 5**      Post-general election C-4 report filed by the 2006 David Schmidt Campaign
- Exhibit 6**      December 2006 C-4 report filed by the 2006 David Schmidt Campaign
- Exhibit 7**      Post-general Schedule "A" report filed by the 2006 David Schmidt Campaign
- Exhibit 8**      December 2006 Schedule "A" report filed by the 2006 David Schmidt Campaign
- Exhibit 9**      Additional Response letter from David Schmidt dated April 28, 2011

OCT 04 2010

Office Use Only: No. \_\_\_\_\_

Public Disclosure Commission



# WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION COMPLAINT FORM

(See instructions on the last page.)

## Description of Complaint

### 1. RESPONDENT:

Identify who you are filing a complaint against and provide all contact information you have for them. Give names and titles, if any, for individuals, and the full name of any organization. Please note that the PDC does not enforce federal campaign finance laws or local ordinances.

Example #1: Joe Public, Mayor of My Town,

123 Main Street, Your Town, State, Phone: 555-123-4567, Email: unknown

Example #2: The Political Action Group (instead of P.A.G.), 123 Main Street, Your Town, State,  
Phone: 555-123-4567, Email: pag@pag.org

Friends of Dave Schmidt

11014 19<sup>th</sup> Ave. SE #306

Everett, WA 98028

dave@daveschmidt.org

### 2. ALLEGED VIOLATIONS:

Explain how and when you believe the people/entities you are filing a complaint against violated RCW 42.17 or Title 390 WAC. Be as detailed as possible about dates, times, places and acts. If you can, cite which specific laws or rules you believe were violated. Attach additional pages if needed.

See attached.

OCT 04 2010

Public Disclosure Commission

Friends of Dave Schmidt has violated campaign finance law in hiding from public scrutiny its financial expenditures in the State Senate race for the 44<sup>th</sup> Legislative District.

On Mr. Schmidt's c4 report filed on 7/23/2010, three months after filing his C1 and launching his 2010 campaign, Mr. Schmidt claimed 208 days of lost wages from his 2006 campaign totaling \$32260.98.

Judging from the fact that his opponent, now Sen. Steve Hobbs, was employed in an equivalent field of the military (Army National Guard) and Mr. Hobbs while running for office concurrently with Mr. Schmidt did not file any claims of missed wages or missed any days of Reserve duty, a very conspicuous discrepancy exists here. This is not a matter of \$500 or \$1000 (both of which are serious matters in themselves), but rather over \$32,000, all of which goes unexplained and undocumented in a report filed 3 years after the fact.

Pursuant to 42.17.125, regarding lost wages, "Lost earnings shall be verifiable as unpaid salary...as an amount not to exceed income received by the individual for services rendered during an appropriate corresponding time period. All lost earnings incurred shall be documented and a record thereof shall be maintained by the individual or the individual's political committee."

Since Mr. Schmidt is required to keep documented proof of 'verifiable lost wages,' we would ask the Public Disclosure Commission to procure as much. On his filings, Mr. Schmidt claims all his lost wages from his Army National Guard Reserve duty. In order for him to be able to claim lost wages, he would have to have received formal orders and then request relief from such orders for the purpose of campaigning. Of the 208 days Mr. Schmidt claims lost wages for, 143 of them were filed on 4 separate orders of ADOS (Active Duty Operation Support) status. Each of these orders and each of Mr. Schmidt's requests for relief, should they exist, would be documented and legally must be



OCT 04 2010

Public Disclosure Commission

within the possession of Mr. Schmidt and would most likely still be filed with his commanding or superior officer. We respectfully request that a formal investigation into Mr. Schmidt's supposed reimbursements be initiated immediately to procure these documents.

The mission of the PDC is the building of public confidence in the political process and government. Violations of this kind work to erode this very sentiment and ought to be taken seriously and dealt with in a swift and public manner. We appreciate your consideration in this matter.

OCT 04 2010

Public Disclosure Commission

**Evidence and Witnesses****3. EVIDENCE:**

List the documents or other evidence you have that support your complaint, if any, and attach copies to this form. If you do not have copies, provide any information you have about where you believe the documents or evidence can be found and how to obtain it. Attach additional pages if needed.

*Example: Emails between Joe public and Candidate X, attached OR*

*Joe Public has emails from Candidate X which describe an illegal campaign donation, and Joe Public's phone number is 555-123-4567.*

See attached.

**4. WITNESSES:**

List the names and contact information, if known, of any witnesses or other persons who have knowledge of facts that support your complaint. Attach additional pages if needed.

*Example: Jane Public was present when Candidate X spoke to me about the illegal contribution. Jane Public's address is 123 Main Street, Your Town, USA 12345, and her phone number is 555-123-4567.*

Unknown.

RECEIVED

## Certification

OCT 04 2010

## In signing this complaint:

Public Disclosure Commission

- I have provided all information, documents and other evidence of which I am aware;
- If I become aware of additional information, documents or evidence related to my complaint, I will promptly provide it to the PDC; and,
- I am providing the PDC current information on how to contact me, and will promptly update that information if it changes.

Your name (print or type) RICHARD HEGDAHLStreet address 104 165<sup>TH</sup> AVE NECity, state and zip code BELLEVUE, WA 98008Telephone number (including area code) 206-227-6280E-mail address (optional) rick@votevets.org

## Oath

## Required for complaints against elected officials or candidates for elective office:

I certify (or declare) under penalty of perjury under the laws of the State of Washington that this complaint is complete, true and correct to the best of my knowledge and belief.\*

Your signature Date signed 01 OCT 2010

Place signed (city and county)

BELLEVUEKING

City

County

## Attachments

☒ Check here if you are attaching copies of documentary evidence or extra pages explaining your complaint.

\*RCW 9A.72.040 says that "(1) A person is guilty of false swearing if he makes a false statement which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."

# SUMMARY, FULL REPORT RECEIPTS AND RECEIVED EXPENDITURES

OCT 04 2010

**C4**  
 (297)

PDC OFFICE USE

100367860

07-23-2010

Candidate or Committee Name (Do not abbreviate. Include full name)

DAVID SCHMIDT J (Friends for Dave Schmidt)

Public Disclosure Commission

Mailing Address

11014 19th Ave SE, #284

City

Everett, WA

Zip + 4

98208

Office Sought (Candidates)

STATE SENATOR

Election Date

2008

**\*For PACs, Parties & Caucus Committees:** During this report period, did the committee make an independent expenditure (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

Report Period Covered

From (last C-4)

12/01/06

To (end of period)

12/31/06

Final Report?

Yes X No

## RECEIPTS

\*See next page

Yes

No

1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet) ..... \$ 193,999.00
2. Cash received (From line 2, Schedule A) ..... \$ 0.00
3. In kind contributions received (From line 1, Schedule B) ..... 0.00
4. Total cash and in kind contributions received this period (Line 2 plus 3) ..... 0.00
5. Loan principal repayments made (From line 2, Schedule L) ..... 0.00
6. Corrections (From line 1 or 3, Schedule C) ..... Show + or (-) 0.00
7. Net adjustments this period (Combine line 5 & 6) ..... Show + or (-) 0.00
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) ..... 193,999.00
9. Total pledge payments due (From line 2, Schedule B) ..... 0.00

## EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4) (if beginning a new campaign or calendar year, see instruction booklet) ..... 195,977.31
11. Total cash expenditures (From line 4, Schedule A) ..... 37,021.69
12. In kind expenditures (goods & services) (From line 1, Schedule B) ..... 0.00
13. Total cash and in kind expenditures made this period (Line 11 plus line 12) ..... 37,021.69
14. Loan principal repayments made (From line 2, Schedule L) ..... 0.00
15. Corrections (From line 2 or 3, Schedule C) ..... Show + or (-) 0.00
16. Net adjustments this period (Combine lines 14 & 15) ..... Show + or (-) 0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) ..... 193,999.00

## CANDIDATES ONLY

Won Lost Opposed on ballot

Primary election ☒ ☐ ☐ ☐  
 General election ☐ ☒ ☐ ☐

Treasurer's Daytime Telephone No.:

(206) 276-6376

## CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) ..... 0.00  
 (Line 18 should equal your bank account balance(s) plus your petty cash balance.)
19. Liabilities: (Sum of loans and debts owed) ..... 0.00
20. Balance (Surplus or deficit) (Line 18 minus line 19) ..... 0.00

**CERTIFICATION:** I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

Treasurer's Signature

Date

DAVID SCHMIDT

01/10/07

David Schmidt

# CASH RECEIPTS AND EXPENDITURE

SCHEDULE  
to C4

**A**  
(11/99)

2

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

12/01/06

12/31/06

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits
-----------------	--------	-----------------	--------	-----------------	--------	----------------

RECEIVED

OCT 04 2010

2. TOTAL CASH RECEIPTS

Public Disclosure Commission

Enter also on line 2 of C4

\$ 2.00

CODES FOR CLASSIFYING EXPENDITURES: If one of the following codes is used to describe an expenditure, no other description is generally needed. The exceptions are:

- 1) If expenditures are in-kind or earmarked contributions to a candidate or committee or independent expenditures that benefit a candidate or committee, identify the candidate or committee in the Description block;
- 2) When reporting payments to vendors for travel expenses, identify the traveler and travel purpose in the Description block; and
- 3) If expenditures are made directly or indirectly to compensate a person or entity for soliciting signatures on a statewide initiative or referendum petition, use code "V" and provide the following information on an attached sheet: name and address of each person/entity compensated, amount paid each during the reporting period, and cumulative total paid all persons to date to gather signatures.

CODE  
DEFINITIONS  
ON NEXT PAGE

C - Contributions (monetary, in-kind & transfers)  
I - Independent Expenditures  
L - Literature, Brochures, Printing  
B - Broadcast Advertising (Radio, TV)  
N - Newspaper and Periodical Advertising  
O - Other Advertising (yard signs, buttons, etc.)  
V - Voter Signature Gathering

P - Postage, Mailing Permits  
S - Surveys and Polls  
F - Fundraising Event Expenses  
T - Travel, Accommodations, Meals  
M - Management/Consulting Services  
W - Wages, Salaries, Benefits  
G - General Operation and Overhead

## 3. EXPENDITURES

- a) Expenditures of \$50 or less, including those from petty cash, need not be itemized. Add up these expenditures and show the total in the amount column on the first line below.
- b) Itemize each expenditure of more than \$50 by date paid, name and address of vendor, code/description, and amount.
- c) For each payment to a candidate, campaign worker, PR firm, advertising agency or credit card company, attach a list of detailed expenses or copies of receipts/invoices supporting the payment.

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
N/A	Expenses of \$50 or less	N/A	N/A	72.36
12/01/06	GMAC unknown Detroit, MI unknow		rent	351.30
12/30/06	ROBERT HUFF DESIGNS unknown Topeka, KS unknow		OFFICE SUPPLIES	550.00
12/30/06	SAFECO UNKNOWN SEATTLE, WA UNKNOWN		RETURN OF OVER CONTRIBUTION LIMIT	675.00
12/01/06	PUGET SOUND ENERGY UNKNOWN Bellevue, WA 98008		return of over contribution limit	650.00
12/01/06	WA ALUMNI ASSOC unknown Seattle, WA unknow		return of over contribution limit	500.00
12/01/06	WA RETAIL ASSOC unknown Olympia, WA 98501		return of over contribution limit	200.00

Total from attached pages \$ 34,023.03

4. TOTAL CASH EXPENDITURES

Enter also on line 11 of C4 \$ 37,021.69

PDC Exhibit # 1  
Page 7 of 16

## EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

RECEIVED

Page 3

Report Date

Candidate or Committee Name (Do not abbreviate. Use full name.)

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

OCT 04 2010

12/01/06

12/31/06

Date Paid	Vendor or Recipient (Name and Address)	Public Code	Disclosure Commission	Purpose of Expense and/or Description	Amount
12/01/06	WA PHYSICAL THERAPY ASSOC unknown Seattle, WA unknown			return of over contribution limit	275.00
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012			lost wages, IDT status, 8 days	1,878.08
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012			lost wages, AI status, 7 days	919.94
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012			lost wages, IDT status, 8 days	1,907.28
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012			lost wages, AI status, 5 days	667.10
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012			lost wages, ADOS status, 35 days	4,857.65
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012			lost wages, IDT status, 12 days	2,894.04
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012			lost wages, AI status, 7 days	947.94
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012			lost wages, ADOS status, 41 days	5,552.22
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012			lost wages, IDT status, 10 days	2,438.90
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012			lost wages, AI status, 8 days	1,093.92
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012			lost wages, ADOS status, 52 days	7,110.48

Page Total \$ 30,542.55

PDC Exhibit # 1-  
Page 8 of 16

## Page 4

Report Date

OCT 04 2010

12/01/06

12/31/06

Page Total \$ 3,480.48

OCT 04 2010

Office Use Only: No. \_\_\_\_\_

Public Disclosure Commission



# WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION COMPLAINT FORM

(See instructions on the last page.)

## Description of Complaint

### 1. RESPONDENT:

Identify who you are filing a complaint against and provide all contact information you have for them. Give names and titles, if any, for individuals, and the full name of any organization. Please note that the PDC does not enforce federal campaign finance laws or local ordinances.

Example #1: Joe Public, Mayor of My Town,

123 Main Street, Your Town, State, Phone: 555-123-4567, Email: unknown

Example #2: The Political Action Group (instead of P.A.G.), 123 Main Street, Your Town, State,  
Phone: 555-123-4567, Email: pag@pag.org

Friends of Dave Schmidt

11014 19<sup>th</sup> Ave. SE #306

Everett, WA 98028

dave@daveschmidt.org

### 2. ALLEGED VIOLATIONS:

Explain how and when you believe the people/entities you are filing a complaint against violated RCW 42.17 or Title 390 WAC. Be as detailed as possible about dates, times, places and acts. If you can, cite which specific laws or rules you believe were violated. Attach additional pages if needed.

Friends of Dave Schmidt has violated campaign finance law in hiding from public scrutiny its financial expenditures in the State Senate race for the 44<sup>th</sup> Legislative District. On Schmidt's C4 report filed on 7/23/2010, three months after filing his C1 and launching his 2010 campaign, Schmidt claimed 208 days of lost wages from his 2006 campaign totaling \$32260.98. This claim was filed well over 3 years late and is thus in violation of RCW 42.17.080, which states reporting deadlines. Only through a public a thorough investigation will the true nature of this suspicious filing come to light.



OCT 04 2010

**Evidence and Witnesses**

Public Disclosure Commission

**3. EVIDENCE:**

List the documents or other evidence you have that support your complaint, if any, and attach copies to this form. If you do not have copies, provide any information you have about where you believe the documents or evidence can be found and how to obtain it. Attach additional pages if needed.

*Example: Emails between Joe public and Candidate X, attached OR*

*Joe Public has emails from Candidate X which describe an illegal campaign donation, and Joe Public's phone number is 555-123-4567.*

See attached.

**4. WITNESSES:**

List the names and contact information, if known, of any witnesses or other persons who have knowledge of facts that support your complaint. Attach additional pages if needed.

*Example: Jane Public was present when Candidate X spoke to me about the illegal contribution. Jane Public's address is 123 Main Street, Your Town, USA 12345, and her phone number is 555-123-4567.*

Unknown.

OCT 04 2010

**Certification**

Public Disclosure Commission

**In signing this complaint:**

- I have provided all information, documents and other evidence of which I am aware;
- If I become aware of additional information, documents or evidence related to my complaint, I will promptly provide it to the PDC; and,
- I am providing the PDC current information on how to contact me, and will promptly update that information if it changes.

Your name (print or type) RICHARD HEGDAHLStreet address 104 165<sup>TH</sup> AVE NECity, state and zip code BELLEVUE, WA 98008Telephone number (including area code) 206-227-6280E-mail address (optional) rick@votevets.org**Oath****Required for complaints against elected officials or candidates for elective office:**

I certify (or declare) under penalty of perjury under the laws of the State of Washington that this complaint is complete, true and correct to the best of my knowledge and belief.\*

Your signature Date signed 01 OCT 2010

Place signed (city and county)

BELLEVUEKING

City

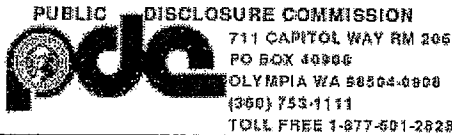
County

**Attachments**

☒ Check here if you are attaching copies of documentary evidence or extra pages explaining your complaint.

\*RCW 9A.72.040 says that "(1) A person is guilty of false swearing if he makes a false statement which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."

OCT 04 2010



# SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

<b>C4</b> (09/97)	PDC OFFICE USE
	100367860
	07-23-2010

Candidate or Committee Name (Do not abbreviate. Include full name)  
 DAVID SCHMIDT 1 (Friends for Dave Schmidt)

Mailing Address  
 11014 19th Ave SE, #284  
 City  
 Everett, WA

Zip + 4 98206	Office Sought (Candidates) STATE SENATOR	Election Date 2006	*For PACs, Parties & Caucus Committees: During this report period, did the committee make an <u>independent expenditure</u> (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?
Report Period Covered 12/01/06	To (end of period) 12/31/06	Final Report? Yes X No	

## RECEIPTS

\*See next page Yes No

- Previous total cash and in kind contributions (From line 8, last C-4)  
(If beginning a new campaign or calendar year, see instruction booklet) ..... \$ 193,999.00
- Cash received (From line 2, Schedule A) ..... \$ 0.00
- In kind contributions received (From line 1, Schedule B) ..... 0.00
- Total cash and in kind contributions received this period (Line 2 plus 3) ..... 0.00
- Loan principal repayments made (From line 2, Schedule L) ..... 0.00
- Corrections (From line 1 or 3, Schedule C) ..... Show + or (-) 0.00
- Net adjustments this period (Combine line 5 & 6) ..... Show + or (-) 0.00
- Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) ..... 193,999.00
- Total pledge payments due (From line 2, Schedule B) ..... 0.00

## EXPENDITURES

- Previous total cash and in kind expenditures (From line 17, last C-4)  
(If beginning a new campaign or calendar year, see instruction booklet) ..... 156,977.31
- Total cash expenditures (From line 4, Schedule A) ..... 37,021.69
- In kind expenditures (goods & services) (From line 1, Schedule B) ..... 0.00
- Total cash and in kind expenditures made this period (Line 11 plus line 12) ..... 37,021.69
- Loan principal repayments made (From line 2, Schedule L) ..... 0.00
- Corrections (From line 2 or 3, Schedule C) ..... Show + or (-) 0.00
- Net adjustments this period (Combine lines 14 & 15) ..... Show + or (-) 0.00
- Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) ..... 193,999.00

## CANDIDATES ONLY

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:

(206) 276-6376

## CASH SUMMARY

- Cash on hand (Line 8 minus line 17) ..... 0.00  
(Line 18 should equal your bank account balance(s) plus your petty cash balance.)
- Liabilities: (Sum of loans and debts owed) ..... 0.00
- Balance (Surplus or deficit) (Line 18 minus line 19) ..... 0.00

**CERTIFICATION:** I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature	Date	Treasurer's Signature	Date
DAVID SCHMIDT	01/10/07	David Schmidt	

OCT 04 2010

## CASH RECEIPTS AND EXPENDITURE

Public Disclosure Commission

SCHEDULE  
to C4A  
(11/20)

2

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

12/01/06

12/31/06

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits

## 2. TOTAL CASH RECEIPTS

Enter also on line 2 of C4 \$ 2.00

CODES FOR CLASSIFYING EXPENDITURES: If one of the following codes is used to describe an expenditure, no other description is generally needed. The exceptions are:

- 1) If expenditures are in-kind or earmarked contributions to a candidate or committee or independent expenditures that benefit a candidate or committee, identify the candidate or committee in the Description block;
- 2) When reporting payments to vendors for travel expenses, identify the traveler and travel purpose in the Description block; and
- 3) If expenditures are made directly or indirectly to compensate a person or entity for soliciting signatures on a statewide initiative or referendum petition, use code "V" and provide the following information on an attached sheet: name and address of each person/entity compensated, amount paid each during the reporting period, and cumulative total paid all persons to date to gather signatures.

CODE  
DEFINITIONS  
ON NEXT PAGE

C - Contributions (monetary, in-kind & transfers)  
 I - Independent Expenditures  
 L - Literature, Brochures, Printing  
 B - Broadcast Advertising (Radio, TV)  
 N - Newspaper and Periodical Advertising  
 O - Other Advertising (yard signs, buttons, etc.)  
 V - Voter Signature Gathering

P - Postage, Mailing Permits  
 S - Surveys and Polls  
 F - Fundraising Event Expenses  
 T - Travel, Accommodations, Meals  
 M - Management/Consulting Services  
 W - Wages, Salaries, Benefits  
 G - General Operation and Overhead

## 3. EXPENDITURES

- a) Expenditures of \$50 or less, including those from petty cash, need not be itemized. Add up these expenditures and show the total in the amount column on the first line below.
- b) Itemize each expenditure of more than \$50 by date paid, name and address of vendor, code/description, and amount.
- c) For each payment to a candidate, campaign worker, PR firm, advertising agency or credit card company, attach a list of detailed expenses or copies of receipts/invoices supporting the payment.

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
N/A	Expenses of \$50 or less	N/A	N/A	72.36
12/01/06	SMAC unknown Detroit, MI unknown		rent	351.30
12/30/06	ROBERT HUFF DESIGNS unknown Topeka, KS unknown		OFFICE SUPPLIES	550.00
12/30/06	SAFECO UNKNOWN SEATTLE, WA UNKNOWN		RETURN OF OVER CONTRIBUTION LIMIT	675.00
12/01/06	PUGET SOUND ENERGY UNKNOWN Bellevue, WA 98008		return of over contribution limit	650.00
12/01/06	WA ALUMNI ASSOC unknown Seattle, WA unknown		return of over contribution limit	500.00
12/01/06	WA RETAIL ASSOC unknown Olympia, WA 98501		return of over contribution limit	200.00

Total from attached pages \$ 34,023.03

## 4. TOTAL CASH EXPENDITURES

Enter also on line 11 of C4 \$ 37,021.69

# EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Page 3

Candidate or Committee Name (Do not abbreviate. Use full name.)

OCT 04 2010

Report Date

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

Public Disclosure Commission

12/01/06

12/31/06

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
12/01/06	WA PHYSICAL THERAPY ASSOC unknown Seattle, WA unknown		return of over contribution limit	375.00
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, IDT status, 8 days	1,878.08
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, AI status, 7 days	919.94
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, IDT status, 8 days	1,907.28
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, AI status, 5 days	667.10
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, ADOS status, 35 days	4,857.65
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, IDT status, 12 days	2,894.04
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, AI status, 7 days	947.94
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, ADOS status, 41 days	5,552.22
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, IDT status, 10 days	2,438.90
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, AI status, 8 days	1,093.92
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, ADOS status, 52 days	7,110.48

Page Total \$ 30,542.55

PDC Exhibit # 1  
Page 15 of 16

## EE (Attachments)

Report Date

~~007 04 2010~~

~~Public Disclosure Commission~~

12/01/06

12/31/06

Page Total \$ 3,480.48



## Candidate Registration

**C1**

(6/01)

**RECEIVED**

JUN 9 - 2005

Public Disclosure Commission

Candidate's Name (Give candidate's full name.) <u>David Schmidt</u>		Telephone Numbers ( ) <u>425-316-1968</u>	
Candidate's Committee Name (Do not abbreviate.) <u>Friends for Dave Schmidt</u>		( ) <u>206-276-6376</u>	
Mailing Address <u>11014 19th Ave SE #284</u>		Fax Number ( ) <u>425-357-5251</u>	
City <u>Everett</u>	County <u>Snohomish</u>	Zip + 4 <u>98208</u>	E-Mail Address <u>dave@dave.schmidt.org</u>
1. What office are you running for? <u>State Senate</u>		Legislative District, County or City <u>44th</u>	Position No. <u></u>
2. Political party (if partisan office) <u>Republican</u>		Do you now hold this office? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
3. Date of general or special election <u>Nov 2006</u>			
4. How much do you plan to spend during your entire election campaign, including the primary and general elections? Based on that estimate, choose one of the reporting options below. If no box is checked you are obligated to use Option II, Full Reporting. See instruction manuals for information about reports required and changing reporting options.  <input type="checkbox"/> Option I MINI REPORTING: In addition to my filing fee of \$____, I will raise and spend no more than \$3,500, including any charges for inclusion in state and local voters pamphlets. I will not accept more than \$300 in the aggregate from any contributor except myself. <input checked="" type="checkbox"/> Option II FULL REPORTING: I will use the Full Reporting system. I will file the frequent, detailed campaign reports required by law.			
5. Treasurer's Name and Address. Candidate may be treasurer. List deputy treasurers on attached sheet. <input type="checkbox"/> Continued on attached sheet			Daytime Telephone Number ( ) <u>Same</u>
6. Committee Officers. List name, title and address. Continue on attached sheet if necessary. See reverse for definition of "officer." <input type="checkbox"/> Continued on attached sheet			
<u>David Gerrard 316 1st Snohomish, WA 98290</u>			
7. Campaign Bank or Depository <u>Bank of America</u>		Branch <u>Mill Creek</u>	City <u>Mill Creek, WA</u>
8. Related or Affiliated Political Committees. List name, address and relationship <u>None</u>			
9. Campaign books must be open to the public, except on a weekend or legal holiday, during the eight days before the election: (a) on the eighth day for two consecutive hours between 8 a.m. and 8 p.m.; if the eighth day is a legal holiday - two consecutive hours on the seventh day between 8 a.m. and 8 p.m.; and (b) on the other weekdays, by appointment between 8 a.m. and 8 p.m. Specify location and hours below. It is not acceptable to provide a post office box or an out-of-area address.  Street Address, Room Number, City <u>16024C Village Green Dr. Mill Creek, WA</u> Hours [Two consecutive hours; see 9(a)] <u>10 AM - Noon</u> In order to make an appointment, contact the campaign at (telephone, fax, e-mail): <u>(425) 316-1968</u>			
10. CERTIFICATION: I certify that this report is true, complete and correct to the best of my knowledge. Candidate's Signature <u>David Schmidt</u> Date <u>6-9-05</u>			
Please advise us about which forms and instructions you need. Remember, candidates must file a Financial Affairs Statement (F-1) unless a current one is already on file with PDC. Check all boxes that apply. <input checked="" type="checkbox"/> I already have financial affairs and campaign disclosure forms and instructions. <input type="checkbox"/> I am using Mini Reporting and, therefore, do not need the other campaign disclosure forms. In addition, I have already filed my Financial Affairs Statement and need no additional F-1 forms. <input type="checkbox"/> I will obtain all forms and instructions from my county elections office. <input type="checkbox"/> I want PDC to mail me: <input type="checkbox"/> the F-1 instruction booklet (which includes forms) <input type="checkbox"/> the appropriate campaign disclosure forms and instructions.			
Distribution of This Report: ORIGINAL - Public Disclosure Commission COPY - County Elections Office (Auditor) COPY - Your own records (Note: City candidates contact City Clerk to see if local filing is required.)			

SEE INSTRUCTIONS ON REVERSE

PDC Exhibit # 2  
Page 1 of 1

## Lori Anderson

---

**From:** Lori Anderson  
**Sent:** Monday, October 08, 2007 1:28 PM  
**To:** dave@daveschmidt.org  
**Cc:** Suemary Trobaugh  
**Subject:** 2006 campaign  
**Attachments:** Dave.Schmidt.2006.xls; Schmidt.C4.pdf

Thanks very much for comparing your campaign records to what was reported, Dave. The contributors that appear to have made over-limit contributions are:

Physicians Insurance \$2,075  
Safeco \$2,075  
Puget Sound Energy \$2,050  
WA Alumni Advocates \$1,900  
WA Physical Therapy PAC \$1,675  
WA Retail Assoc PAC \$1,600  
WA Assn of Realtors \$1,450  
Iron Mountain Quarry, LLC \$1,425

Contribution dates & amounts are detailed on the attached spreadsheet. If it turns out that the contributions were reported correctly, the over limit amounts need to be refunded - if the refunds have not already been made. (The limit was \$1,400 - \$700 each for the primary and general elections).

The last C-4 that we received from you is attached so that you can see where your campaign reporting stopped. The last deposit reported was \$10,225 deposited on November 2, 2006. Go ahead and file the final reports by mail with a note explaining your computer issues. The commission usually grants an exception to the e-filing requirement in cases like yours.

I would appreciate a response from you by the end of this week. If you have already resolved any over-limit issues and are able to file your final reports by the end of this week, you don't have to contact me directly.

Lori Anderson  
Staff - WA State Public Disclosure Commission  
PH (360) 664-2737  
PH 1-877-601-2828 toll free in WA State  
FAX (360) 753-1112



DEC 15 2010

Public Disclosure Commission

To: Public Disclosure Commission  
From: Dave Schmidt  
Re: PDC Case No. 11-018, complaint filed by Richard Hegdhal

The complaint has two sections, one a late filing and the other regarding use of campaign funds. To note, this is regarding my campaign in 2006, not 2010.

The first part is regarding the filing date. In Oct 2006, about two weeks before the election, my computer crashed, losing all the PDC files up till that time. I was still using the old WEDS reporting system as that was the last year we could use it. Two weeks later, I lost my election and did not have a way to reconstruct my complete PDC files. Later I was contacted by I believe Lori Anderson and I described my situation that I was unable to complete my final report as I had no way to use the old system no longer in use. We talked about my reconstructing the final report by hand and how it would require an approval from the commission for a hand filed report. I never heard back from her even though I had made copies of the final report by hand.

In July this year I was contacted by Chip Beatty and I explained the situation and asked what needed to be done to make the report complete. Mr. Beatty said the current ORCA system could be manipulated to receive the report so the campaign from 2006 could be closed. Mr. Beatty and I spent time on the phone over two days as he talked me through how to set up the 2006 campaign on ORCA and how to enter the rest of the final items. I asked about the dates, as they would be inaccurate in the ORCA system. He said that would not be a problem. I submitted the final reports to Mr. Beatty; he approved them for final filing. I have some copies of my email correspondence with Mr. Beatty should you want them.

The second issue is using campaign funds for lost wages. In the 2006 campaign I received about \$26,000 in the last week or so before the election. Because of voting my mail, most of our budget is set three to four weeks before the election. After Election Day I had these surplus funds and had lost my election. The law allows me to return the funds, transfer them to a caucus or party fund, give them to charity or use them in legal means for campaign expenses. Lost wages is one of the legal uses. Facing unemployment in two months and having no other job prospects at that time I decided to use the funds for lost wages.

The amounts reported reflect the time lost or work days lost due to my being a legislator and campaigning. The amounts reflect periods during the four years of the campaign. The reports reflect three different types of duty status in the National Guard. AT status is annual training, the traditional 15 days per year that all Guardsmen are allocated. IDT status is 'Inactive Duty Training' referring to the weekend days during the fiscal year. Attendance Orders for these two types of training are posted annually for the respective units and as individual orders. My absence will be recorded by unit as excused absence status. Each of the AT or IDT entries on my PDC report reflect the

DEC 15 2010

Public Disclosure Commission

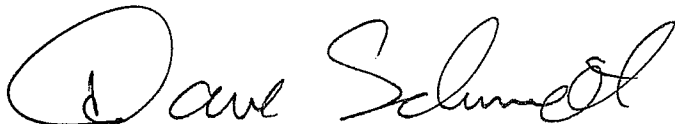
days lost for each of the years between 2003 to 2006. The first one reported as IDT status, 8 days reflects the days lost in IDT status in 2003. The next entry of AT status of 7 days reflects the days lost in that status in 2003. The following entries of those types reflect the following years.

The other status report of ADOS is considered 'Active Duty Operation Support.' These reflect special assignments outside of normal training status. In the summers of 2003 and 2004 I was asked to assist our Special Forces Unit in the WA Army National Guard on their training missions to the Philippines as their administrative NCO. This unit two years in a row went to the Philippines to train with their reserve military units in their country. The unit needed an administrative assistant and I was asked to fill the request. Due to my campaign and legislative duties I was not able to attend. These were work days I lost wages by not being able to travel on the mission. Orders were not posted for me as I declined the opportunity to attend. The last two ADOS entries are for days lost on a special mission regarding the National Guard Youth Challenge program. The WA Youth Academy in Bremerton is the result of my 5 years of work part time to establish the program in our state. I was the legislator who established the legislation for the program in the year 2000, and then worked extra duty days to facilitate the programs initiation. It took a number of years to develop the programs business plan, staffing, site location and funding before it was started a few years ago. I performed more extra duty days during those years than anyone else in the WA National Guard. The last two ADOS entries reflect days of work that I was authorized but was not able to perform due to my campaign and legislative duties.

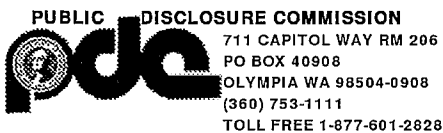
The funds reported as used for lost wages reflect lost work time during the four years of 2003 to 2006. My actual work time lost was more and I could have used more campaign funds but used it on the campaign instead. Records of attendance and unit activity are available from the Dept of Defense Finance offices in Indiana. Due to the time laps, these records will take a considerable amount of time to recover should they be requested.

Thank you for your assistance in this manner.

Sincerely,



Dave Schmidt



# SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

<b>C4</b> (3/97)	PDC OFFICE USE
	100367859
	07-23-2010

Candidate or Committee Name (Do not abbreviate. Include full name) DAVID SCHMIDT 1 (Friends for Dave Schmidt)			
Mailing Address 11014 19th Ave SE, #284		City Everett, WA	
Zip + 4 98208	Office Sought (Candidates) STATE SENATOR	Election Date 2006	<b>*For PACs, Parties &amp; Caucus Committees:</b> During this report period, did the committee make an <u>independent expenditure</u> (i.e., an expense not considered a contribution supporting or opposing a state or local candidate?)
Report Period Covered 10/31/06	From (last C-4) To (end of period) 11/30/06	Final Report? Yes No X	

## RECEIPTS

\*See next page                      Yes                      No

1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet) .....	\$	183,774.00
2. Cash received (From line 2, Schedule A) .....	\$	10,225.00
3. In kind contributions received (From line 1, Schedule B).....		0.00
4. Total cash and in kind contributions received this period (Line 2 plus 3).....		10,225.00
5. Loan principal repayments made (From line 2, Schedule L).....		0.00
6. Corrections (From line 1 or 3, Schedule C)..... Show + or (-)		0.00
7. Net adjustments this period (Combine line 5 & 6)..... Show + or (-)		0.00
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) .....		193,999.00
9. Total pledge payments due (From line 2, Schedule B) .....	0.00	

## EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4) (if beginning a new campaign or calendar year, see instruction booklet) .....		116,146.72
11. Total cash expenditures (From line 4, Schedule A) .....	40,830.59	
12. In kind expenditures (goods & services) (From line 1, Schedule B) .....	0.00	
13. Total cash and in kind expenditures made this period (Line 11 plus line 12).....		40,830.59
14. Loan principal repayments made (From line 2, Schedule L).....	0.00	
15. Corrections (From line 2 or 3, Schedule C)..... Show + or (-)	0.00	
16. Net adjustments this period (Combine lines 14 & 15)..... Show + or (-)		0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16).....		156,977.31

### CANDIDATES ONLY

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:

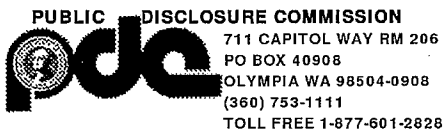
(206) 276-6376

### CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) .....	37,021.69
[Line 18 should equal your bank account balance(s) plus your petty cash balance.]	
19. Liabilities: (Sum of loans and debts owed) .....	0.00
20. Balance (Surplus or deficit) (Line 18 minus line 19) .....	37,021.69

**CERTIFICATION:** I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature DAVID SCHMIDT	Date 12/11/06	Treasurer's Signature David Schmidt	Date
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# SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

<b>C4</b> (3/97)	PDC OFFICE USE
	100367860
	07-23-2010

Candidate or Committee Name (Do not abbreviate. Include full name) DAVID SCHMIDT 1 (Friends for Dave Schmidt)	
Mailing Address 11014 19th Ave SE, #284	City Everett, WA

Zip + 4 98208	Office Sought (Candidates) STATE SENATOR	Election Date 2006
Report Period Covered 12/01/06	To (end of period) 12/31/06	Final Report? Yes X No

**\*For PACs, Parties & Caucus Committees:** During this report period, did the committee make an independent expenditure (i.e., an expense not considered a contribution supporting or opposing a state or local candidate?)

## RECEIPTS

\*See next page      Yes      No

- |   |               |            |
|---|---------------|------------|
| 1. Previous total cash and in kind contributions (From line 8, last C-4)<br>(if beginning a new campaign or calendar year, see instruction booklet) ..... | \$            | 193,999.00 |
| 2. Cash received (From line 2, Schedule A) .....  | \$            | 0.00       |
| 3. In kind contributions received (From line 1, Schedule B) .....   |               | 0.00       |
| 4. Total cash and in kind contributions received this period (Line 2 plus 3) .....  |               | 0.00       |
| 5. Loan principal repayments made (From line 2, Schedule L) .....   |               | 0.00       |
| 6. Corrections (From line 1 or 3, Schedule C) .....   | Show + or (-) | 0.00       |
| 7. Net adjustments this period (Combine line 5 & 6) .....   | Show + or (-) | 0.00       |
| 8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) .....  |               | 193,999.00 |
| 9. Total pledge payments due (From line 2, Schedule B) .....  |               | 0.00       |

## EXPENDITURES

- |  |               |            |
|--|---------------|------------|
| 10. Previous total cash and in kind expenditures (From line 17, last C-4)<br>(if beginning a new campaign or calendar year, see instruction booklet) ..... |               | 156,977.31 |
| 11. Total cash expenditures (From line 4, Schedule A) .....  |               | 37,021.69  |
| 12. In kind expenditures (goods & services) (From line 1, Schedule B) .....  |               | 0.00       |
| 13. Total cash and in kind expenditures made this period (Line 11 plus line 12) .....  |               | 37,021.69  |
| 14. Loan principal repayments made (From line 2, Schedule L) .....   |               | 0.00       |
| 15. Corrections (From line 2 or 3, Schedule C) .....   | Show + or (-) | 0.00       |
| 16. Net adjustments this period (Combine lines 14 & 15) .....  | Show + or (-) | 0.00       |
| 17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) .....  |               | 193,999.00 |

### CANDIDATES ONLY

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:

(206) 276-6376

### CASH SUMMARY

- |  |      |
|--|------|
| 18. Cash on hand (Line 8 minus line 17) .....  | 0.00 |
| <small>[Line 18 should equal your bank account balance(s) plus your petty cash balance.]</small> |      |
| 19. Liabilities: (Sum of loans and debts owed) .....   | 0.00 |
| 20. Balance (Surplus or deficit) (Line 18 minus line 19) .....                                   | 0.00 |

**CERTIFICATION:** I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature DAVID SCHMIDT	Date 01/10/07	Treasurer's Signature David Schmidt	Date
--	------------------	--	------

# CASH RECEIPTS AND EXPENDITURE

SCHEDULE  
to C4

**A**  
(11/93)

2

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

10/31/06

11/30/06

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits
11/03/2006	10,225.00					

2. TOTAL CASH RECEIPTS

Enter also on line 2 of C4 \$ 10,225.00

**CODES FOR CLASSIFYING EXPENDITURES:** If one of the following codes is used to describe an expenditure, no other description is generally needed. The exceptions are:

- 1) If expenditures are in-kind or earmarked contributions to a candidate or committee or independent expenditures that benefit a candidate or committee, identify the candidate or committee in the Description block;
- 2) When reporting payments to vendors for travel expenses, identify the traveler and travel purpose in the Description block; and
- 3) If expenditures are made directly or indirectly to compensate a person or entity for soliciting signatures on a statewide initiative or referendum petition, use code "V" and provide the following information on an attached sheet: name and address of each person/entity compensated, amount paid each during the reporting period, and cumulative total paid all persons to date to gather signatures.

CODE  
DEFINITIONS  
ON NEXT PAGE

C - Contributions (monetary, in-kind & transfers)  
I - Independent Expenditures  
L - Literature, Brochures, Printing  
B - Broadcast Advertising (Radio, TV)  
N - Newspaper and Periodical Advertising  
O - Other Advertising (yard signs, buttons, etc.)  
V - Voter Signature Gathering

P - Postage, Mailing Permits  
S - Surveys and Polls  
F - Fundraising Event Expenses  
T - Travel, Accommodations, Meals  
M - Management/Consulting Services  
W - Wages, Salaries, Benefits  
G - General Operation and Overhead

## 3. EXPENDITURES

- a) Expenditures of \$50 or less, including those from petty cash, need not be itemized. Add up these expenditures and show the total in the amount column on the first line below..
- b) Itemize each expenditure of more than \$50 by date paid, name and address of vendor, code/description, and amount.
- c) For each payment to a candidate, campaign worker, PR firm, advertising agency or credit card company, attach a list of detailed expenses or copies of receipts/invoices supporting the payment.

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
N/A	Expenses of \$50 or less	N/A	N/A	100.00
11/01/06	KIT FAST unknown Denver, CO unknown		office supplies	102.98
10/31/06	DAMIEN PRUITT unknown Ventura , CA unknown		office supplies	160.00
11/01/06	GRAPHICS COMMUNICATIONS unknown Olympia, WA 98501		printing	2,075.59
11/01/06	COUNCIL OF STATE GOVERNMENTS unknownwq Lexington, KY unknow		conference	350.00
11/01/06	GRAPHICS COMMUNICATIONS unknown Olympia, WA 98501		printing	2,975.66
11/01/06	COSTCO 19th Ave Everett, WA 98208		office supplies	183.78

4. TOTAL CASH EXPENDITURES

Total from attached pages \$ 34,882.58  
Enter also on line 11 of C4 \$ 40,830.59

PDC Exhibit # 7  
Page 1 of 2

## EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Page 3

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

10/31/06

11/30/06

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
11/01/06	GRAPHICS COMMUNICATIONS unknown Olympia, WA 98501		printing	2,975.67
11/01/06	GMAC unknown Detroit, MI unknow		rent	351.30
11/01/06	COLE PROPERTIES unknown Bellevue, WA 98008		rent	180.00
11/01/06	MAIL BOXES AND MORE 11014 19th Ave SE Everett, WA 98208		mail box rental	66.00
11/01/06	RANDO unknown Tampa, FL unknow		office supplies	155.87
11/01/06	GRAPHICS COMMUNICATIONS unknown Olympia, WA 98501		printing	3,711.48
11/01/06	GRAPHICS COMMUNICATIONS unknown Olympia, WA 98501		printing	2,233.57
11/01/06	COSTCO 19th Ave Everett, WA 98208		computer	1,363.88
11/01/06	ALEC unknown Washington, DC unknown		conference	100.00
11/01/06	GRAPHICS COMMUNICATIONS unknown Olympia, WA 98501		printing	3,000.00
11/01/06	KATHLEEN BAXTER unknown Edmonds, WA 98020		ca,paign mnagement	1,100.00
11/01/06	PHYCISIANS INSURANCE unknown Seattle, WA 98112		refund of over contribution limit	675.00

Page Total \$ 15,912.77

PDC Exhibit # 7  
Page 2 of 5

# EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Page 4

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

10/31/06

11/30/06

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
11/01/06	KATHLEEN BAXTER unknonw Edmonds, WA 98020		campaign mnagement	550.00
11/01/06	DAVID GERARD unknonw Snohomish, WV 98290		campaign management	750.00
11/01/06	KATHLEEN BAXTER unknonw Edmonds, WA 98020		campaign management	1,000.00
11/01/06	US POST OFFICE Mill Creek Blvd Mill Creek, WA 98012		postage	91.16
11/01/06	COMCAST COMMUNICATIONS unknonw Kent, WA 98032		office expense	215.32
11/01/06	COLE PROPERTIES unknonw Bellevue, WA 98008		rent	180.00
11/01/06	VERIZON WIRELESS unknonw Denver, CO unknow		phone	323.24
11/01/06	DAVE MORTENSON unknonw Kent, WA 98032		consulting	1,689.46
11/01/06	GRAPHICS COMMUNICATIONS unknown Olympia, WA 98501		printing	2,981.41
11/01/06	TRAVIS DRAKE unknonw St. Louis, MO unknow		office supplies	109.50
11/01/06	ALASKA AIRLINES unknonw seattle, WA 98180		travel	268.90
11/01/06	COSTCO 19th Ave Everett, WA 98208		office items	1,589.00

Page Total \$ 9,747.99

PDC Exhibit # 7  
Page 2 of 5

# EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Page 5

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

10/31/06

11/30/06

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
11/15/06	MASTER PARK unknonw seattle, WA unknow		parking	58.00
11/15/06	COSTCO 19th Ave Everett, WA 98208		food for event	686.06
11/15/06	AMBREY CORP unknonw Boston, MA unknow		office items	89.05
11/15/06	CHINA TENG YU unknonw compton, CA unknow		office items	222.49
11/15/06	MICHELLE'S unknonw San Diego, CA unknow		supplies	242.50
11/15/06	BOSTON HARBOR MARINA unknonw Olympia, WA 98508		food for event	306.50
11/15/06	VERIZON WIRELESS unknonw Denver, CO unknow		phone	199.58
11/15/06	COLE PROPERTIES unknonw Bellevue, WA 98008		rent	180.00
11/15/06	GMAC unknown Detroit, MI unknow		rent	351.80
11/15/06	COMCAST COMMUNICATIONS unknonw Kent, WA 98032		office expense	215.32
11/15/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		milage reimbursement	578.32
11/15/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		meals	147.32

Page Total \$ 3,276.94

PDC Exhibit # 7  
Page 4 of 5



# EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Page 6

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

10/31/06

11/30/06

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
11/15/06	DAVE MORTENSON unknonw Kent, WA 98032		consulting	2,500.00
11/15/06	BARNES AND NOBLES unknonw Lynnwood, WA 98036		supplies	69.71
11/15/06	MASTER PARK unknonw seattle, WA unknow		parking	78.88
11/15/06	EQUITY MANAGEMENT unknonw Seattle, WA 98115		supplies	209.00
11/15/06	VERIZON WIRELESS unknonw Denver, CO unknow		phone	247.69
11/10/06	ALASKA AIRLINES unknonw seattle, WA 98180		travel	339.60
11/30/06	DAVE MORTENSON unknonw Kent, WA 98032		consulting	2,500.00

Page Total \$ 5,944.88

PDC Exhibit # 7  
Page 5 of 6

# CASH RECEIPTS AND EXPENDITURE

SCHEDULE  
to C4

**A**  
(11/93)

2

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

12/01/06

12/31/06

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits

2. TOTAL CASH RECEIPTS

Enter also on line 2 of C4 \$ 0.00

**CODES FOR CLASSIFYING EXPENDITURES:** If one of the following codes is used to describe an expenditure, no other description is generally needed. The exceptions are:

- 1) If expenditures are in-kind or earmarked contributions to a candidate or committee or independent expenditures that benefit a candidate or committee, identify the candidate or committee in the Description block;
- 2) When reporting payments to vendors for travel expenses, identify the traveler and travel purpose in the Description block; and
- 3) If expenditures are made directly or indirectly to compensate a person or entity for soliciting signatures on a statewide initiative or referendum petition, use code "V" and provide the following information on an attached sheet: name and address of each person/entity compensated, amount paid each during the reporting period, and cumulative total paid all persons to date to gather signatures.

CODE  
DEFINITIONS  
ON NEXT PAGE

C - Contributions (monetary, in-kind & transfers)  
I - Independent Expenditures  
L - Literature, Brochures, Printing  
B - Broadcast Advertising (Radio, TV)  
N - Newspaper and Periodical Advertising  
O - Other Advertising (yard signs, buttons, etc.)  
V - Voter Signature Gathering

P - Postage, Mailing Permits  
S - Surveys and Polls  
F - Fundraising Event Expenses  
T - Travel, Accommodations, Meals  
M - Management/Consulting Services  
W - Wages, Salaries, Benefits  
G - General Operation and Overhead

## 3. EXPENDITURES

- a) Expenditures of \$50 or less, including those from petty cash, need not be itemized. Add up these expenditures and show the total in the amount column on the first line below..
- b) Itemize each expenditure of more than \$50 by date paid, name and address of vendor, code/description, and amount.
- c) For each payment to a candidate, campaign worker, PR firm, advertising agency or credit card company, attach a list of detailed expenses or copies of receipts/invoices supporting the payment.

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
N/A	Expenses of \$50 or less	N/A	N/A	72.36
12/01/06	GMAC unknown Detroit, MI unknow		rent	351.30
12/30/06	ROBERT HUFF DESIGNS unknown Topeka, KS unknow		OFFICE SUPPLIES	550.00
12/30/06	SAFECO UNKNOWN sEATTLE, WA UNKNOWN		RETURN OF OVER CONTRIBUTION LIMIT	675.00
12/01/06	PUGET SOUND ENERGY UNKNOWN Bellevue, WA 98008		return of over contribution limit	650.00
12/01/06	WA ALUMNI ASSOC unknown Seattle, WA unknow		return of over contribution limit	500.00
12/01/06	WA RETAIL ASSOC unknown Olympia, WA 98501		return of over contribution limit	200.00

Total from attached pages \$ 34,023.03

4. TOTAL CASH EXPENDITURES

Enter also on line 11 of C4 \$ 37,021.69

PDC Exhibit # 8  
Page 1 of 3

# EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Page 3

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

12/01/06

12/31/06

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
12/01/06	WA PHYSICAL THERAPY ASSOC unknonw Seattle, WA unknow		return of over contribution limit	275.00
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, IDT status, 8 days	1,878.08
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, AT status, 7 days	919.94
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, IDT status, 8 days	1,907.28
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, AT status, 5 days	667.10
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, ADOS status, 35 days	4,857.65
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, IDT status, 12 days	2,894.04
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, AT status, 7 days	947.94
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, ADOS status, 41 days	5,552.22
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, IDT status, 10 days	2,438.90
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, AT status, 8 days	1,093.92
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, ADOS status, 52 days	7,110.48

Page Total \$ 30,542.55

# EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Page 4

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

DAVID SCHMIDT 1 (Friends for Dave Schmidt)

12/01/06

12/31/06

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
12/30/06	DAVE SCHMIDT 16024 Village Green Dr Mill Creek, WA 98012		lost wages, ADOS status, 15 days	1,993.43
12/30/06	ALASKA AIRLINES unknonw seattle, WA 98180		travel	377.60
12/30/06	ALASKA AIRLINES unknonw seattle, WA 98180		travel	377.60
12/30/06	MISC unknonw unknonw, WA unknown		under \$50 misc items	731.85

Page Total \$ 3,480.48

PDC Exhibit # 8  
Page 3 of 3

To: PDC  
From: Dave Schmidt  
Re: Dates and data for lost wages during 2002 to 2006 campaign  
Date: April 28, 2011

Lost wages was from lost time in my work with the WA National Guard. Wages are in 3 different status descriptions as follows:

IDT Status; Inactive Duty Training, this is the traditional one weekend per month status

AT Status: Annual Training, this is the traditional 2 weeks per year.

ADOS: Active Duty Operational Support, additional work for special assignments as they arise.

IDT, AT and ADOS days of service can be verified by obtaining attendance records from the archives at the National Guard Bureau from the Pentagon. This will take an extensive search and will likely take about one to 2 months to obtain through a special records search from the Dept. of Defense.

Listed below are the explanations of the dollar entries on the PDC C-3 report.

\$1878.08 8 days of IDT status in 2003 at \$234.76 per day. Applies to the following dates: Jan. 4-5, Feb. 1-2, Mar 1-2 and Apr. 5-6.

\$919.94 7 days of AT status in June of 2003 at \$131.42 per day.

\$1907.28 8 days of IDT status in 2004 at \$238.41 per day. Dates; Jan 3-4, Feb 7-8, Mar 6-7, Sep. 4-5.

\$667.10 5 days of AT status in June 2004 at \$133.42

\$2894.04 10 days of IDT status in 2005 at \$243.09 per day. Dates; Jan. 8-9, Feb. 5-6, Mar. 5-6, Apr. 2-3, Aug. 13-14, Sep. 10-11.

\$947.94 7 days of AT status in June 2005 at \$135.42 per day.

\$2438.90 10 days of IDT status in 2006 at \$243.89 per day. Dates; Jan. 7-8, Feb. 4-5, Mar. 4-5, Oct. 7-8, Nov. 4-5.

\$1093.92 8 days of AT status in June 2006 at \$136.74 per day

\$4857.65 35 days of ADOS status in Jul-Aug 2004 at \$138.79 per day. Special Operations training mission to the Phillipines.

\$5552.22 41 days of ADOS status in Jul-Aug 2005 at \$135.42 peer day. Special Operations training mission to the Phillipines.

\$7110.48 52 days of ADOS status from Apr-Dec of 2006 at \$136.74 per day in support of establishing the WA Youth Challenge program. These days varied throughout the year.

\$1993.43 15 days of ADOS in 2006 at \$136.74 per day for service support for Emergency Management training throughout the State of WA. These days varied throughout the year.